



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Budgets

2011/0404(COD)

19.4.2012

DRAFT OPINION

of the Committee on Budgets

for the Committee on Foreign Affairs

on the proposal for a regulation of the European Parliament and of the Council
on the Instrument for Pre-Accession Assistance (IPA II)
(COM(2011)0838 – C7-0491/2011 – 2011/0404(COD))

Rapporteur: Nadezhda Neynsky

PA_Legam

SHORT JUSTIFICATION

Preservation of the status-quo in the programme's design and objectives retains a budgeting for the IPA of comparable magnitude as of the current MFF. This would provide a fine balance between progress towards achievement of the Accession Criteria while supporting the socio-economic development in the beneficiary countries.

The Commission proposal foresees an increase of 7.3% for the next MFF (from EUR 11.668 bln in 2007-2013 to EUR 12.520 bln in 2014 - 2020 in constant 2011 prices) in the overall support for pre-accession countries within the IPA. 3% of this funding is earmarked for cross-border cooperation between MS and beneficiary countries and 2% is allocated to the "Erasmus for all" programme.

Your Rapporteur would like to urge the Commission to plan a non-decrease in real terms of overall funding for each beneficiary, while taking into account the following points:

- The cumulative real GDP growth of each beneficiary country for 2007-2013, except Croatia, would range between 10 and 30% at the end of the period¹. While funding per capita could be a reliable indicator for different reasons, we should also make use of macro indicators on total support as compared to each beneficiary's GDP to fully account for added value and overreaching positive externalities of EU funding. In this context, as beneficiaries create and polish the necessary universal principles that are strong drivers for economic well-being, it may seem reasonable that we change the focus from per capita to gross indicators to capture systemic and qualitative changes. As such, your Rapporteur suggests that real growth of funding for each beneficiary should, in numerical terms, be no less than the cumulative real GDP growth period-on-period.
- The number of countries with access to funding of the future Instrument decreases to 8 with the accession of Croatia which potentially changes the comparative distribution within the pool of funding and - from the beneficiaries' perspective - favours their access to funds. Your Rapporteur urges that this does not lead to deterioration of standards when using EU funds as competition among beneficiaries would be made relatively more modest. If we were to look at a metric that follows the changes of available funds and explicitly excludes Croatia from the pool of funding, real increase of funds period-on-period would be closer to 20%²
- With suggested changes to the new Instrument, all beneficiaries would have access to funding in policy areas focusing on socio-economic development previously inaccessible for countries without a candidate status. This naturally creates more competition for funding in the said policy areas which also potentially changes the level of access to these funds for some of the beneficiaries.
- As a result of the improved administrative and institutional capacity of beneficiaries following the acknowledged positive results of funding of IPA I, countries are likely to be able to start absorbing funding at a greater rate, which could result in greater demand for funds and frontloading in the first years of the next period.

¹ Own estimates, based on DG-Budget figures and forecasts for candidate countries; in addition, forecasts for real growth of potential candidates based on reports from an independent forecasting entity

² IPA I 2007-2013 funds for the 8 current and future beneficiaries (i.e. without Croatia) comes down to EUR 10,547 bln. in constant 2011 prices

In that context, your Rapporteur recommends that no beneficiary is precluded from a sufficient and fair access in the context of a limited pool of EU resources, especially in the policy area of institution-building.

Shortcomings of the current proposal:

Although the measures proposed are going into the right direction of making IPA resources more streamlined, flexible and efficient, your rapporteur is of the opinion that several aspects of the legislative proposal are not satisfactorily dealt with and create concerns:

- While the explanatory memorandum suggests that a performance reserve would be welcomed and incentives for performance should be provided, no legislative text is provided to introduce this idea. Your Rapporteur introduces such text with the view that it should be established under the full scrutiny of the budgetary authority which would ensure sufficient involvement of the European Parliament in encouraging and motivating progress in beneficiary countries. While the Rapporteur is of the opinion that performance incentives within the sectorial support should be based on clear and specific indicators, success of general budget support may not be as easy to measure.
- Mainstreaming of the goals of EU internal policies should be carefully intertwined with the Enlargement policy in order to reflect that targeted budget support creates long-term, mutual and self-reinforcing benefits. Your Rapporteur suggests that the focus of mainstreaming should be predominantly placed on the objectives of the Europe 2020 Agenda, some of which may also provide for mainstreaming of democracy, rule of law, entrepreneurship, human rights and environmental protection
- Your Rapporteur is of the opinion that the definition of objectives and criteria should be subject to clear, specific and transparent indicators. In addition, the Rapporteur suggests to also include institutional and absorption capacity, fiscal stability and economic governance to the pool of objectives and criteria.
- Your Rapporteur suggests that operationally we ensure that there is more consistency, coordination and synergies between the available internal and external funding for IPA beneficiaries. In that context, while recognising the benefits stemming from financial leverage via the use of innovative financial instruments, such as maximising viability of the projects by pooling funds and expertise, we should also recognise that the use of EU funds should always abide by best practices and rules as stipulated in the Financial Regulation and the Common Implementing Regulation.

AMENDMENTS

The Committee on Budgets calls on the Committee on Foreign Affairs, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Draft legislative resolution Paragraph -1 (new)

Draft legislative resolution

Amendment

-1. Points out that the financial envelope specified in the legislative proposal constitutes only an indication to the legislative authority and cannot be fixed until agreement is reached on the proposal for a regulation laying down the multiannual financial framework for the years 2014-2020;

Or. en

Amendment 2

Draft legislative resolution Paragraph -1 a (new)

Draft legislative resolution

Amendment

-1a. Recalls its resolution of 8 June 2011 on "Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe"; reiterates that sufficient additional resources are needed in the next Multiannual Financial Framework in order to enable the Union to fulfil its existing policy priorities and the new tasks provided for in the Treaty of Lisbon, as well as to respond to unforeseen events; challenges the Council, if it does not share this approach, to clearly identify which of its political priorities or projects could be dropped altogether, despite their proven European added value;

Or. en

Amendment 3

Proposal for a regulation Recital -1 (new)

Text proposed by the Commission

Amendment

(-1) This Regulation should lay down, for the entire duration of the instrument, a financial envelope constituting the prime reference, within the meaning of point [...] of the Interinstitutional Agreement of XX/201Z between the European Parliament, the Council and the Commission on cooperation in budgetary matters and on sound financial management, for the budgetary authority during the annual budgetary procedure.

Or. en

Amendment 4

Proposal for a regulation Recital -1a (new)

Text proposed by the Commission

Amendment

(-1a) Improving the implementation and quality of spending should constitute a guiding principle for achieving the objectives of the Instrument whilst ensuring optimal use of financial resources.

Or. en

Amendment 5

Proposal for a regulation Recital -1 b (new)

Text proposed by the Commission

Amendment

(-1b) It is important to ensure sound financial management of the Instrument and its implementation in the most effective and user-friendly manner possible, whilst also ensuring legal certainty and the accessibility of the Instrument to all participants.

Or. en

Amendment 6

Proposal for a regulation Recital 4

Text proposed by the Commission

Amendment

(4) A European State which has applied to join the Union can become a member only when it has been confirmed that it meets the membership criteria agreed at the Copenhagen European Council in June 1993 and provided that the accession does not overstretch the capacity of the Union to integrate the new member. These criteria relate to the stability of institutions guaranteeing democracy, the rule of law, respect of human rights and respect for, and protection of, minorities, the development of the economy that must be sufficient to withstand the competitive pressure in the internal market, and the ability to assume not only the rights but also the obligations under the Treaties.

(4) A European State which has applied to join the Union can become a member only when it has been confirmed that it meets the membership criteria agreed at the Copenhagen European Council in June 1993 and provided that the accession does not overstretch the capacity of the Union to integrate the new member. These criteria relate to the stability of institutions guaranteeing democracy, the rule of law, respect of human rights and respect for, and protection of, minorities, the development of the economy that must be sufficient to withstand the competitive pressure in the internal market, and the ability to assume not only the rights but also the obligations under the Treaties. ***The scope of the criteria could be further expanded to include fiscal stability and the enhanced Union focus on economic governance.***

Justification

The systemic importance of national fiscal stability and the increased EU focus on economic governance within the realms of European legislation need to be reflected in the Enlargement Strategy in order to mirror internal policies.

Amendment 7

Proposal for a regulation Recital 8

Text proposed by the Commission

(8) Assistance under this Regulation should be provided in accordance with the enlargement policy framework defined by the Union for each beneficiary country reflected in the annual enlargement package of the Commission, which includes the Progress Reports and the Enlargement Strategy, in the Stabilisation and Association agreements and in the European or Accession Partnerships. Assistance should mainly focus on a **limited** number of policy areas that will help beneficiary countries strengthen democratic institutions and the rule of law, **reform** the judiciary and public administration, respect fundamental rights and promote gender equality and non-discrimination. It should also enhance their economic and social development, underpinning a smart, sustainable and inclusive growth agenda in line with the Europe 2020 strategy and to align progressively with the Copenhagen criteria. The coherence between the financial assistance and the overall progress made in the implementation of the pre-accession strategy should be strengthened.

Amendment

(8) Assistance under this Regulation should be provided in accordance with the enlargement policy framework defined by the Union for each beneficiary country reflected in the annual enlargement package of the Commission, which includes the Progress Reports and the Enlargement Strategy, in the Stabilisation and Association agreements and in the European or Accession Partnerships, **and corresponding to the actions envisaged in the Common Strategic Framework and the strategy reports**. Assistance should mainly focus on a **comprehensive** number of policy areas that will help beneficiary countries strengthen **their administrative and institutional capacity, build** democratic institutions and the rule of law, **strengthen** the judiciary and public administration, respect fundamental rights and promote gender equality and non-discrimination. It should also enhance their economic and social development, underpinning a smart, sustainable and inclusive growth agenda in line with the Europe 2020 strategy and to align progressively with the Copenhagen criteria. The coherence between the financial assistance and the overall progress made in the implementation of the pre-accession strategy should be strengthened **and made conditional on compliance with clear, specific and transparent performance indicators**.

Or. en

Amendment 8

Proposal for a regulation Recital 9

Text proposed by the Commission

(9) Candidate countries and potential candidates need to be better prepared to withstand global challenges, such as sustainable development and climate change, and align with the Union's efforts to address these issues. Union assistance under this Regulation should also contribute to the goal of raising the climate-related proportion of the Union budget to at least 20 %.

Amendment

(9) Candidate countries and potential candidates need to be better prepared to withstand global challenges, such as sustainable development and climate change, and align with the Union's efforts to address these issues. Union assistance under this Regulation should also contribute to ***mainstreaming achievement of the Europe 2020 goals, democracy, the rule of law, entrepreneurship, human rights, workers' rights, environmental protection*** and the goal of raising the climate-related proportion of the Union budget to at least 20 %.

Or. en

Amendment 9

Proposal for a regulation Recital 10

Text proposed by the Commission

(10) The Commission and the Member States should ensure the ***compliance***, coherence, and complementarity of their assistance, in particular through regular consultations and frequent exchanges of information during the different phases of the assistance cycle.

Amendment

(10) The Commission and the Member States should ensure the ***consistency***, coherence, and complementarity of their assistance, in particular through regular consultations and frequent exchanges of information during the different phases of the assistance cycle. ***Furthermore, coherence between the assistance provided by the Commission, Member States, the European Investment Bank and other international, local and regional aid providers should be guaranteed.***

Or. en

Amendment 10

Proposal for a regulation Recital 10

Text proposed by the Commission

(12) The objectives of the assistance should be defined in indicative country and multi-country strategy papers established by the Commission for the duration of the Union's Multi-annual Financial Framework in partnership with the beneficiary countries, based on their specific needs and enlargement agenda. The strategy papers should identify the policy areas for assistance and, without prejudice to the prerogatives of the budgetary authority, lay down the indicative allocations of funds per policy area, broken down per year, including an estimate of climate related expenditure. Sufficient flexibility should be built in to cater for emerging needs and to give incentives to improve performance. The strategy papers should ensure coherence and consistency with the efforts of beneficiary countries as reflected in their national budgets and should take into account the support provided by other donors. In order to take into account internal and external developments, the multiannual indicative strategy papers should be revised *as* appropriate.

Amendment

(12) The objectives of the assistance should be defined in indicative country and multi-country strategy papers established by the Commission for the duration of the Union's Multi-annual Financial Framework in partnership with the beneficiary countries, based on their specific needs and enlargement agenda. The strategy papers should identify the policy areas for assistance and, without prejudice to the prerogatives of the budgetary authority, lay down the indicative allocations of funds per policy area, broken down per year, including an estimate of climate related expenditure. ***The strategy papers should further provide a list of clear, specific, objective and transparent performance indicators.*** Sufficient flexibility should be built in to cater for emerging needs and to give incentives to improve performance. The strategy papers should ensure coherence and consistency with the efforts of beneficiary countries as reflected in their national budgets and should take into account the support provided by other donors. In order to take into account internal and external developments, the multiannual indicative strategy papers should be revised ***at mid-term and on all other occasions when such revision is*** appropriate.

Or. en

Amendment 11

Proposal for a regulation Recital 13

Text proposed by the Commission

(13) *It is in the Union's interest to assist beneficiary countries in their efforts to reform their systems in order to align them to those of the Union. Since the objective of this Regulation cannot be sufficiently achieved by the Member States and can be better achieved at Union's level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve this objective.*

Amendment

(13) *The Union has the unique opportunity to be able to closely link financial support to the fulfilment of political criteria, progress on which should irrevocably lead to improvements in the economic and social environment for beneficiaries. The Union is also in the position of having access to a wide-ranging administrative expertise, and has the reputation of acting as a catalyst for cooperation and generating financial leverage. Given the overall Union added value, the Union should seek to adopt measures in accordance with the principle of subsidiarity, as laid down in Article 5 of the Treaty on European Union. **This Regulation should also comply with** the principle of proportionality.*

Or. en

Amendment 12

Proposal for a regulation Recital 17

Text proposed by the Commission

(17) Assistance should continue to make use of the structures and instruments that have *proved their worth* in the pre-accession process. The transition from direct management of pre-accession funds by the Commission to decentralised management delegated to the beneficiary countries should be progressive and in line with each beneficiary *country's capacities*.

Amendment

(17) Assistance should continue to make use of the structures and instruments that have *delivered acknowledged positive results* in the pre-accession process. The transition from direct management of pre-accession funds by the Commission to decentralised management *with ex-ante approval and ex-post control* delegated to the beneficiary countries should be in line with *Regulation (EU) No [...] of the European Parliament and of the Council*

on the financial rules applicable to the annual budget of the Union (hereinafter "the financial rules") and should take account of the development of absorption capacity and strengthening of institutions for each beneficiary country.

Or. en

Amendment 13

Proposal for a regulation

Recital 20

Text proposed by the Commission

(20) Where a beneficiary country violates the principles on which the Union is founded, or fails to respect the commitments contained in the relevant agreements concluded with the Union, or makes insufficient progress with respect to the accession criteria, the Council, on a proposal from the Commission, should be able to take appropriate measures to redress the situation.

Amendment

(20) Where a beneficiary country violates the principles on which the Union is founded, or fails to respect the commitments contained in the relevant agreements concluded with the Union, or makes insufficient progress with respect to the accession criteria, the Council, on a proposal from the Commission, should be able to take appropriate measures to redress the situation. ***The European Parliament should be duly informed of those measures.***

Or. en

Amendment 14

Proposal for a regulation

Article 2 – paragraph 1

Text proposed by the Commission

1. Assistance under this Regulation shall pursue the following specific objectives according to the needs of each beneficiary country and their individual enlargement agenda:

Amendment

1. Assistance under this Regulation shall pursue the following specific objectives according to the needs of each beneficiary country and their individual enlargement agenda:

- (a) Support for political reforms, *inter alia*:
- (i) strengthening of democratic institutions and the rule of law, including its implementation;
 - (ii) promotion and protection of human rights and fundamental freedoms, enhanced respect for minority rights, promotion of gender equality, non-discrimination and freedom of the press, and promotion of good neighbourly relations;
 - (iii) the fight against corruption and organised crime;
 - (iv) public administration reform and good governance;
 - (v) the development of civil society and social dialogue;
 - (vi) reconciliation, peace building and confidence building measures.
- (b) Support for economic, social and territorial development, with a view to a smart, sustainable and inclusive growth, *inter alia* through:
- (i) the achievement of Union standards in the economy and economic governance;
 - (ii) economic reforms necessary to cope with competitive pressure and market forces within the Union, while pursuing economic, social and environmental goals;
 - (iii) fostering employment and developing human capital;
 - (iv) social and economic inclusion, in particular of minorities and vulnerable groups;
 - (v) development of physical capital, the improvement of connections with Union and regional networks.
- (c) Strengthening of the ability of beneficiary countries to fulfil the obligations stemming from membership by supporting progressive alignment with and adoption, implementation **and enforcement** of the

- (a) Support for political reforms, *inter alia*:
- (i) strengthening of democratic institutions and the rule of law, including its implementation;
 - (ii) promotion and protection of human rights and fundamental freedoms, enhanced respect for minority rights, promotion of gender equality, non-discrimination and freedom of the press, and promotion of good neighbourly relations;
 - (iii) the fight against corruption and organised crime;
 - (iv) public administration reform and good governance;
 - (v) the development of civil society and social dialogue;
 - (vi) reconciliation, peace building and confidence building measures
- (b) Support for economic, social and territorial development, with a view to a smart, sustainable and inclusive growth, *inter alia* through:
- (i) the achievement of Union standards in the economy and economic governance, **including fiscal stability**;
 - (ii) economic reforms necessary to cope with competitive pressure and market forces within the Union, while pursuing economic, social and environmental goals;
 - (iii) fostering employment and developing human capital;
 - (iv) social and economic inclusion, in particular of minorities and vulnerable groups;
 - (v) development of physical capital, the improvement of connections with Union and regional networks.
- (c) Strengthening of the ability of beneficiary countries to fulfil the obligations stemming from membership by supporting progressive alignment with and adoption **and** implementation of the *acquis*

acquis communautaire, structural, cohesion, agricultural and rural development funds and policies of the Union.

(d) Regional integration and territorial cooperation involving beneficiary countries, Member States and, where appropriate, third countries within the scope of Regulation (EU) No [...] establishing a European Neighbourhood Instrument.

communautaire, management of the Union's funds and attainment of the Europe 2020 targets.

(d) Regional integration and territorial cooperation involving beneficiary countries, Member States and, where appropriate, third countries within the scope of Regulation (EU) No [...] establishing a European Neighbourhood Instrument, *as well as macro-regional strategies.*

Or. en

Justification

The systemic importance of national fiscal stability and the increased EU focus on economic governance within the realms of European legislation need to be reflected in the Enlargement Strategy in order to mirror internal policies. Same reasoning applies to Europe 2020 targets and other initiatives.

Amendment 15

**Proposal for a regulation
Article 2 – paragraph 2 a (new)**

Text proposed by the Commission

Amendment

2a. Coherence between financial assistance and the overall progress made in the implementation of the pre-accession strategy shall be strengthened and made conditional on compliance with clear, specific and transparent performance indicators.

Or. en

Justification

The link between allocation of funds and achievement of objectives shall be strengthened

Amendment 16

Proposal for a regulation Article 2 – paragraph 2

Text proposed by the Commission

2. Progress towards achievement of the specific objectives set out in paragraph 1 shall be assessed through indicators that cover *inter alia*:

– Progress in the areas of democracy, the rule of law, the respect of human rights and fundamental freedoms, the justice system and the level of administrative capacity;

– Progress in economic reforms; the soundness and effectiveness of social and economic development strategies, progress towards smart, sustainable and inclusive growth, including through public investments supported by IPA;

– The body of legislation aligned with the *acquis*; progress in Union-related institutional reform, including transition to decentralised management of the assistance provided under this Regulation;

– The relevance of regional and territorial cooperation initiatives and the evolution of trade flows.

The indicators shall be used for monitoring, evaluation and review of performance, as appropriate.

Amendment

2. Progress towards achievement of the specific objectives set out in paragraph 1 shall be assessed through ***qualitative and quantitative*** indicators that cover *inter alia*:

– Progress in the areas of democracy, the rule of law, the respect of human rights and fundamental freedoms, the justice system and the level of administrative ***and absorption*** capacity;

– Progress in economic ***and fiscal*** reforms, ***addressing any fiscal imbalance***; the soundness and effectiveness of social and economic development strategies, progress towards smart, sustainable and inclusive growth, including through public investments supported by IPA;

– The body of legislation aligned with the *acquis*; progress in Union-related institutional reform, including transition to decentralised management of the assistance provided under this Regulation;

– The relevance of regional and territorial cooperation initiatives and the evolution of trade flows.

The ***quantitative and qualitative*** indicators ***included in the strategy papers*** shall be used for monitoring, evaluation and review of performance, as appropriate.

Or. en

Justification

The systemic importance of national fiscal stability and the increased EU focus on economic governance within the realms of European legislation need to be reflected in the Enlargement Strategy in order to mirror internal policies. This should be done via clear, fair and specific indicators

Amendment 17

Proposal for a regulation

Article 2 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The life cycle of specific objectives and indicators shall be as follows:

(a) the objectives and criteria set out in paragraphs 1 and 2 shall be stated in full in the IPA Common Strategic Framework as defined in Article 5;

(b) they shall then be translated into specific operational objectives and qualitative and quantitative indicators for each of the beneficiary countries in their strategy papers as defined in Article 6;

(c) the strategy papers shall be reviewed as provided for in Article 6 of this Regulation and Article 16 of the Common Implementing Regulation.

Or. en

Justification

The link between allocation of funds and achievement of objectives shall be strengthened

Amendment 18

Proposal for a regulation

Article 4 – title

Text proposed by the Commission

Amendment

Compliance, coherence and complementarity

Consistency, coherence and complementarity

Or. en

Amendment 19

Proposal for a regulation Article 4 – paragraph 3

Text proposed by the Commission

3. The Commission and the Member States shall ensure coordination of their respective assistance programmes to increase effectiveness and efficiency in the delivery of assistance and to **prevent** double funding in line with **the established principles** for strengthening operational coordination in the field of external assistance, and for the harmonisation of policies and procedures. Coordination shall involve regular consultations and frequent exchanges of information during the different phases of the assistance cycle, in particular at field level and shall constitute a key step in the programming processes of the Member States and the Union.

Amendment

3. The Commission and the Member States shall ensure coordination of their respective assistance programmes to increase effectiveness and efficiency in the delivery of assistance and to **avoid** double funding in line with **best practices** for strengthening operational coordination in the field of external assistance, and for the harmonisation of policies and procedures. Coordination shall involve regular consultations and frequent exchanges of information during the different phases of the assistance cycle, in particular at field level and shall constitute a key step in the programming processes of the Member States and the Union.

Or. en

Amendment 20

Proposal for a regulation Article 4 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. The Commission shall seek the most efficient use of available resources by using financial instruments with leverage effect. Such effect may be increased by the use and re-use of funds invested and generated by financial instruments. Cooperation with financial institutions in accessing Union funds shall aim to maximise the pooling of resources in favour of Union policy objectives and ensuring that the use of Union funds always complies with the best practices and rules as stipulated in the financial

Amendment 21

Proposal for a regulation Article 5 – paragraph 1

Text proposed by the Commission

1. The Commission shall establish a Common Strategic Framework for the Instrument for Pre-accession Assistance. The IPA Common Strategic Framework shall translate the political priorities of the enlargement policy into key actions **which can receive assistance under this Regulation.**

Amendment

1. The Commission shall establish a Common Strategic Framework for the Instrument for Pre-accession Assistance. The IPA Common Strategic Framework shall translate the political priorities of the enlargement policy **and the objectives of this Regulation** into key actions **and common objectives, in accordance with Article 2(1), and shall act as a reference framework for the multiannual strategy papers.**

Or. en

Justification

The link between allocation of funds and achievement of objectives shall be strengthened.

Amendment 22

Proposal for a regulation Article 5 – paragraph 2

Text proposed by the Commission

2. The IPA Common Strategic Framework shall *inter alia* include:

- (a) the criteria to be used for the allocation of funds to beneficiary countries as well as to multi-country and territorial cooperation actions;
- (b) the types of actions which can be

Amendment

2. The IPA Common Strategic Framework shall *inter alia* include:

- (a) the criteria to be used for the allocation of funds to beneficiary countries as well as to multi-country and territorial cooperation actions, **as specified in Article 2 (2)**;
- (b) the types of actions which can be

financed by the IPA;
(c) the common guidelines for management and implementation of the IPA.

financed by the IPA;
(c) the common guidelines for management and implementation of the IPA;

(ca) criteria for the reallocation of funds across projects, sectors and policy areas;

(cb) criteria for the use of the Performance Reserve, as specified in Article 13a.

Or. en

Justification

The IPA Common Framework needs to provide for all criteria to be used in the funding process, whether reassigning of funds within forecast budget or increasing budget support

Amendment 23

Proposal for a regulation Article 5 – paragraph 3

Text proposed by the Commission

3. The Commission shall approve the IPA Common Strategic Framework and any revision thereof in accordance with ***the examination procedure referred to in Article 15(3) of the Common Implementing Regulation.***

Amendment

3. The Commission shall approve the IPA Common Strategic Framework and any revision thereof in accordance with Article 15(3) of the Common Implementing Regulation.

Or. en

Amendment 24

Proposal for a regulation Article 6 – paragraph 3

Text proposed by the Commission

3. The strategy papers shall include the indicative allocation of Union funds per policy area, as applicable, broken down per year, in line with the criteria set in the IPA Common Strategic Framework referred to

Amendment

3. The strategy papers shall include the indicative allocation of Union funds per policy area, as applicable, broken down per year, in line with the criteria set in the IPA Common Strategic Framework referred to

in Article 5. The indicative allocation of funds shall duly take account of the needs, absorption capacity and administrative capacity of the beneficiary countries. It shall also allow for addressing emerging needs and include incentives to enhance the performance of the beneficiary countries with regard to the objectives set in the multi-annual indicative strategies

in Article 5. The indicative allocation of funds shall duly take account of the needs, absorption capacity and administrative capacity of the beneficiary countries, **as well as their contribution to the Europe 2020 targets**. It shall also allow for addressing emerging needs and include incentives to enhance the performance of the beneficiary countries with regard to the objectives set in the multi-annual indicative strategies.

Or. en

Amendment 25

Proposal for a regulation Article 6 – paragraph 4

Text proposed by the Commission

4. The strategy papers shall be reviewed at mid-term and revised **as** appropriate. **They may be revised at any time at the initiative of the Commission.**

Amendment

4. The strategy papers shall be reviewed at mid-term, **by no later than 31 December 2017**, and revised **at the initiative of the Commission when appropriate, in the case of an emerging need or in order to take into account internal and external developments.**

Or. en

Amendment 26

Proposal for a regulation Article 6 – paragraph 5

Text proposed by the Commission

5. The Commission shall adopt the strategy papers and any revision thereof in accordance with **the examination procedure referred to in** Article 15(3) of the Common Implementing Regulation.

Amendment

5. The Commission shall adopt the strategy papers and any revision thereof in accordance with Article 15(3) of the Common Implementing Regulation.

Amendment 27

Proposal for a regulation Article 9 – paragraph 1

Text proposed by the Commission

1. In duly justified circumstances and in order to ensure the coherence and effectiveness of Union financing or to foster regional cooperation, the Commission may decide to extend the eligibility of programmes and measures referred to in Article 7 to countries, territories and regions which otherwise would not be eligible for financing pursuant to Article 1, where the programme or measure to be implemented is of a global, regional or cross border nature.

Amendment

1. In duly justified circumstances and in order to ensure the coherence and effectiveness of Union financing or to foster regional cooperation, the Commission may decide to extend the eligibility of programmes and measures referred to in Article 7 to countries, territories and regions which otherwise would not be eligible for financing pursuant to Article 1, where the programme or measure to be implemented is of a global, regional or cross border nature. ***Whenever cross-instrument measures are envisaged, the Commission shall ensure that overlaps between the instruments are avoided, synergies are created and best value for money is provided.***

Or. en

Amendment 28

Proposal for a regulation Article 13 a (new)

Text proposed by the Commission

Amendment

Article 13a

Performance Reserve

1. A Performance Reserve may be provided for in the multi-annual indicative programmes. Any such reserve shall be established by the budgetary authority as part of the annual budget

procedure. The allocation of the funds in the Performance Reserve shall be decided in accordance with the IPA Common Strategic Framework, the individual strategy papers and the Common Implementing Regulation, having due regard to the will of the budgetary authority to scrutinise all proposed deployments of funds from the Performance Reserve.

2. The Performance Reserve shall be subject to clear, consistent and objective performance indicators forming the basis for measuring progress over time in the respective beneficiary country. Where exceptional progress is made, in cases to be specified in full in the IPA Common Strategic Framework, and taking into account the achievement of operational objectives as specified in individual strategy papers, funds shall be disbursed from the Performance Reserve.

3. The decision on disbursement of funds from the Performance Reserve shall be taken following a revision of the strategy paper relating to the beneficiary concerned, in accordance with Article 6.

4. An indicative amount, corresponding to 5 % of the overall financial allocation, shall be earmarked to the Performance Reserve. That amount shall not be pre-allocated.

Or. en

Justification

A Performance Reserve is created to earmark funds specifically to reward exceptional performance. All beneficiary countries shall have access to it but shall not necessarily benefit from it.

Amendment 29

Proposal for a regulation

Article 14 – paragraph 3 – subparagraph 1

Text proposed by the Commission

3. As referred to in Article 13, paragraph 2 of the "Erasmus for All" Regulation, in order to promote the international dimension of higher education, an indicative amount **of EUR 1 812 100 000 from the different external** instruments (Development Cooperation Instrument, European Neighbourhood Instrument, Instrument for Preaccession Assistance, Partnership Instrument and the European Development Fund), will be allocated to actions of learning mobility to or from non EU countries and to cooperation and policy dialogue with authorities/institutions/organisations from these countries. The provisions of the "Erasmus for All" Regulation will apply to the use of those funds.

Amendment

3. As referred to in Article 13, paragraph 2 of the "Erasmus for All" Regulation, in order to promote the international dimension of higher education, an indicative amount, **corresponding to 2 % of the financial allocations available for the participating** instruments (Development Cooperation Instrument, European Neighbourhood Instrument, Instrument for Preaccession Assistance, Partnership Instrument and the European Development Fund), will be allocated to actions of learning mobility to or from non EU countries and to cooperation and policy dialogue with authorities/institutions/organisations from these countries. The provisions of the "Erasmus for All" Regulation will apply to the use of those funds.

Or. en

Justification

Due to the uncertainty concerning the final amounts to be assigned for the external action instruments in MFF 2014 - 2020, the rapporteur believes it would be better to replace the indicative amount with a percentage. The final number of 2% has been arrived at via the following way: with a total amount of "Erasmus for all" for DCI, ENI, IPA, PI and EDF of 90.994 bln in current prices, this makes the here quoted amount equal to 1.99% of the total.